

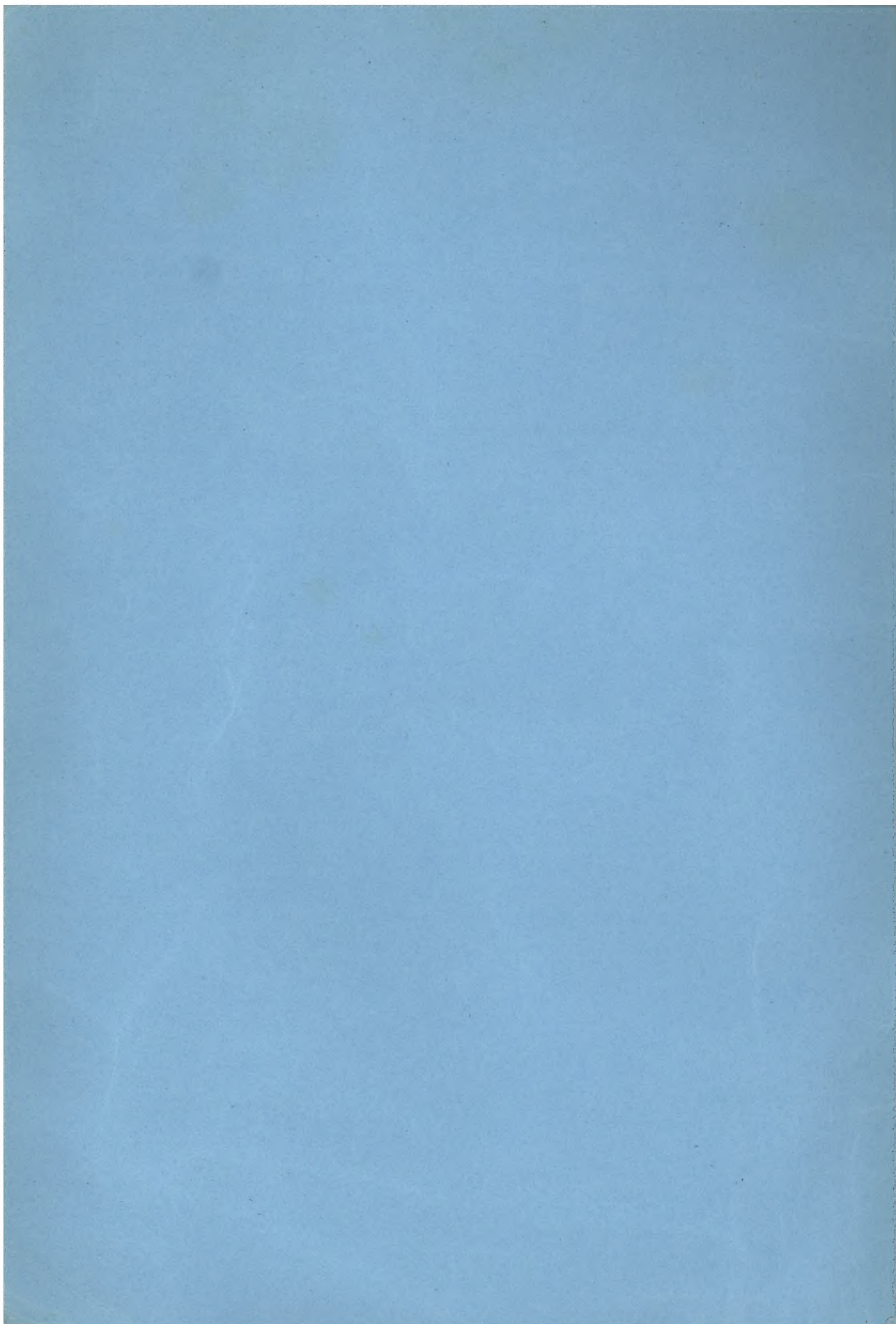
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BREAD or BOMBS

Speech of
PREMIER T. C. DOUGLAS

in the
Debate on the Speech from
the Throne

SASKATCHEWAN
LEGISLATURE, 1951



LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Third Session—Eleventh Legislature

SPEECH OF PREMIER T. C. DOUGLAS in DEBATE ON THE SPEECH FROM THE THRONE

WEDNESDAY, FEBRUARY 7, 1951

Premier Douglas: Mr. Speaker, yesterday the Leader of the Opposition addressed the members of this Assembly for nearly two and one half hours. I may say to our visiting friends from Saskatoon that the weather report for Regina yesterday was "dry and very windy". During that period of time the Leader of the Opposition covered a good deal of territory and I don't propose to endeavour to follow him over the extensive territory which he sought to cover.

I am going to divide what I have to say into three main headings—firstly, the defence by my honourable friend of the policies of the Federal Government; secondly, the criticisms which he levelled at the administration of the Saskatchewan Government; and thirdly, his complaints with reference to the C.C.F. policy on international affairs.

TUCKER DEFENDS FEDERAL POLICIES

Let me come, first, to the attempt by my honourable friend to defend the inept and vacillating policies that have characterized the Government at Ottawa. My honourable friend usually complains about the fact that too much time is spent in this Legislature discussing federal matters. But yesterday he took upon himself the role of champion of the Federal Government, and he cannot now complain if I take a few moments to deal with his defence of the indefensible.

First of all, he sought to defend the Federal Government's policy with reference to the price of wheat, and he sought to silence criticism of the Federal Government's wheat policy by suggesting that any criticism of that wheat policy might result in the closing of the Wheat Board and turning the handling of wheat over to the Winnipeg Grain Exchange. Mr. Speaker, every member of this Assembly knows that the Wheat Board is an administrative body. The amount of money put into the Wheat Board by the Federal Government from time to time is a matter of policy by the Federal authorities. Nobody is going to blackmail me or anybody else into keeping quiet with reference to the discriminatory policies followed by the Federal Government merely by threatening that if we do not do so we may not have a Wheat Board.

My honourable friend doesn't need to stand here as the champion of the Wheat Board. That is a new role for the Liberal party. I remember the years when some of us on this side of the House were fighting for the Wheat Board. The Liberals were telling us, "That means regimentation. That means taking away the farmers' freedom. Let the Winnipeg Grain Exchange handle wheat and coarse grains." Most of us haven't forgotten that in 1935 it was the Liberal members of Parliament that took the compulsory clause out of the wheat marketing legislation; that in 1936 it was a Liberal government which, by order-in-council, deprived the farmers of the right to deliver their wheat to the Wheat Board; and that from then until the war clouds began to gather, year after year, the Wheat Board sat idly by while the farmers' grain was marketed on the Winnipeg Grain Exchange. Most of us haven't forgotten that the first thing the Liberal Government did when they came to office in 1936 was to take Mr. J. R. Murray, Secretary of the Winnipeg Grain Exchange, and make him Chairman of the Wheat Board, an action which I described in the House of Commons at that time as being similar to putting a skunk in a hen-coop to raise chickens. As a matter of fact, at the present time, despite the fact that this Legislature passed legislation enabling the Wheat Board to handle coarse grains, our coarse grains are being handled on the Grain Exchange because of the dictates of the Federal Government at Ottawa.

Farmers' Money in Political Pork Barrel

Mr. Speaker, my honourable friend criticized me because I found fault with the Federal Government for setting the initial price for wheat, last fall, at \$1.40 f.o.b. Fort William for No. 1 Northern. But events have proven that my criticism was justified. Every bit of that wheat has been sold at not less than \$1.88 per bushel. The asking price on the market today is \$1.89 $\frac{3}{8}$. There was no reason for reducing the price to \$1.40. "Oh," my honourable friend says, "It is never safe for the Wheat Board to set an initial price at more than seventy percent of what they are likely to get; they have got to have the money." Well, Mr. Speaker, in 1949 they paid twenty cents a bushel to the farmers as an interim payment. Did they have the money? No. They went to the bank and borrowed the money. They paid out money they didn't have. Why? Because there was an election in the offing, that's why! They are not going to make that mistake again. This time they are going to hold back some of the farmers' money—about twenty-eight cents a bushel now that the initial price has been raised to \$1.60. This is going to accumulate into a magnificent political pork barrel for the next election. There was a time in Canadian history, we are told, when political parties gave voters five and ten dollars for their votes. Those days are past; but now the Liberal party keeps back some of the farmers' own money and then gives it to them for their vote. Mr. Speaker, when any political party starts to use the Wheat Board as a political football and as an instrument for winning elections, they are the people who are undermining the Wheat Board.

Twenty-five Cents a Bushel in the Five-Year Pool

My honourable friend sought to justify the five-year pool and the fact that no payment has yet been made. He said that there were two reasons—one was that we had to wait until negotiations with Great Britain had been completed. The other was that we had to wait until Parliament met. Mr. Speaker, the negotiations with Great Britain were completed long ago; if they want to re-open them that is their business. Parliament met last year and the Federal Government has known for years that they had two responsibilities with regard to the five-year pool. The first was that they owed that fund \$49,000,000 for wheat used in Canada for domestic consumption. That means about three and one half cents a bushel on every bushel of wheat delivered to the five-year pool. The second thing the Government has known for years is that they made a commitment and I have the *Hansard* here in my hand. It is August 15, 1946, Page 4,506. Mr. Gardiner, the Federal Minister of Agriculture, in answer to a question from Mr. Coldwell as to what would happen if the farmers' cost of production got out of relationship to the \$1.75 price that they were going to get under the Anglo-Canadian Wheat Agreement, indicated that a compensatory adjustment to the farmers at the end of the five year period would be made out of the \$200,000,000 (more if necessary) provided for by the Agricultural Prices Support Act. That was their commitment in 1946. The Federal Government has known all along that they made these commitments. They know what amount of money is owing to the five-year pool. Why didn't they vote it at the last session of Parliament? The farmers are entitled to the five cents a bushel that is now in that fund. They are entitled to another three and one-half cents a bushel on the wheat used for domestic consumption, and they are entitled to another unstated amount to compensate them for the fact that wheat was sold over a five-year period at far below the world market price. It is generally agreed that the very least the Federal Government owes the farmers of western Canada is twenty-five cents a bushel in that five-year period. My honourable friend says he hopes they will get it. Well, I remember the old proverb, "Hope deferred maketh the heart sick." We don't want this payment on the five-year pool, Mr. Speaker, to be built up into a political pork barrel for the next election. The farmers are entitled to this twenty-five cents a bushel and they are entitled to it now! If the Government at Ottawa has any sense of political morality they will pay it this year, not in 1953 just before they go to the country.

Defence Program Financed by Inflation

While defending the policies of the Federal Government, my honourable friend skated away from defending their failure to re-impose price controls and subsidies in this country. As both the mover and seconder pointed out, the rising cost of living is working a terrific hardship on the people of Canada. In 1945 when price controls were still on, the cost-of-living index was 119.5; today it is 172.5—an increase of 53 points. Nothing like it has ever happened in the history

of Canada. For the farmers it has been even worse because since August, 1948, the farm price index has gone down. The index of the prices that the farmer gets for the things he sells has gone down by 25 points while the index for the things he has to buy has gone up by 14 points. He finds himself in the awkward position that while the index for the things he has to sell is going down, the index for the things he has to buy is climbing steadily upward.

What is happening in Canada today is that the Federal Government is seeking to finance a defence program, not by taxation based on ability to pay but, because it lacks the courage to impose excess profits taxes and taxes on high incomes, by reducing the purchasing power of the dollar and by embarking on an orgy of inflation. The Federal Government is financing a defence program by putting its hand into everybody's pocket, into every person's savings and into every person's life insurance policies, and taking forty cents on every dollar. They used to talk about the socialists having a capital levy of ten per cent in their platform. There has been a capital levy, not just on capitalists but right down to the last \$100 Victory bond that some person might have set aside for their old age. Forty dollars on every hundred has been taken away. There isn't any use saying that this couldn't have been prevented. In our own small way here in Saskatchewan where we have very little control over prices this Legislature was pleased to impose rent control. What has been the result? The result is that since December, 1949, the rent index in Canada has risen 11.4 points. In Saskatchewan the rent index has risen $\frac{4}{5}$ of one point—an increase of almost 11½ points right across Canada; in Saskatchewan less than one point increase in the rent index. I am submitting, Sir, that if rents can be controlled by a Government that has the will and the courage to protect those who need protection, then the Federal Government could have prevented the dangerous situation which is now manifesting itself throughout this country, by re-imposing price controls.

TUCKER ATTACKS PROVINCIAL ADMINISTRATION

Mr. Speaker, I should like now to turn to the second main division of what I have to say, and that is to deal with the attack which my honourable friend launched against the present Government of Saskatchewan.

Liberals Discourage Industrial Development

His first criticism was that the C.C.F. Government was keeping industry out of the province and frightening away capital. It was difficult for me to find any consistency in the argument because in the first part of his speech he criticized us because we were socialists and in the second part of his speech he criticized us because we weren't socialistic enough. I don't know how you can have it both ways. He also thought there was some inconsistency because my friend, the Minister of Natural Resources, had said that the Liberals were hampering industry coming into the province and that I had said that industries were coming into the province. Well, there is no inconsistency.

Industries are coming into the province but they are coming into the province in spite of everything that the Liberal party and the Liberal press can do to keep them out. The Liberals have never ceased to make statements in public places; they have never ceased through their newspapers to distort every shred of a statement they can get from anywhere and to broadcast it across Canada in an attempt to put this province in a bad light as far as investors are concerned. The Liberal party has come to this dangerous state of mind because it would rather destroy the economy of this province than see prosperity under a C.C.F. Government. A party has reached a low stage when it begins to foul its own nest. Yet that is exactly what has happened so far as the Saskatchewan Liberal party is concerned. I can tell them that they don't need to think that I don't know of the prominent Liberal in Ottawa who was sent all the way down to New York to tell some of the oil companies, "Don't go into Saskatchewan. If they find a big strike of oil in Saskatchewan we'll never get them out. Stay out of Saskatchewan, at least until after the next election."

Mr. W. A. Tucker (Leader of the Opposition): Mr. Speaker, if the honourable gentleman is implying that I had anything to do about it or know anything about it, I want to say that I have had nothing to do with it and knew nothing about it until the honourable member has stated it just now, and he should say who did it.

Mr. Danielson (Arm River): I demand that the Premier name the man who went to New York.

Mr. Speaker: The honourable member who is speaking made the statement on his own responsibility and has a right to do so.

Mr. Douglas: Mr. Speaker, I very gladly accept the statement made by the Leader of the Opposition and I am prepared to exonerate him from any connection with the emissary to whom I refer.

My honourable friend says that industrial development has not come into the province, yet the facts speak for themselves. In 1943 there were twenty-nine companies incorporated in Saskatchewan with a capitalization of \$5,500,000; in 1944, seventy-eight companies with a capitalization of \$3,000,000; last year, 1950, there were two hundred and fourteen companies incorporated in Saskatchewan with a capitalization of \$23,000,000. The Leader of the Opposition yesterday said, "Well, the fact that they are capitalized doesn't mean that they put that much money in." I am suggesting that companies are not formed in a graveyard. When you make a comparison between twenty-nine new companies being formed and registered and two hundred and fourteen being formed and registered you have indications of economic and industrial activity being carried on in this province. The Leader of the Opposition doesn't mention any of the new industries that have been set up in this province. He is careful to say nothing about the plywood industry, seed-crushing mill, salt refinery, flour mill, wool products, furnace manufacturers, garment manufacturers and oil refineries. Preliminary work has been done and a very satisfactory stage reached in such things as ceramics and potash and pulp.

These are things about which my friend says nothing. When it comes to the matter of the production of base metals he seeks to confuse the issue by talking about percentage increases in Alberta and Manitoba as compared to Saskatchewan. Never mind talking about percentages. Why not come out and make the flat statement, because it is true, that in 1950 Saskatchewan produced more base metals than Alberta and Manitoba put together? My friend won't say that! He doesn't tell this House that uranium will be in production in this province this year, that it will be the first province in Canada to have uranium mined in quantity and that over \$2,000,000 was spent in mineral exploration in northern Saskatchewan alone last year.

Saskatchewan Produces Oil

When the Leader of the Opposition comes to the matter of oil, he goes back, as he always does, to Alberta. He said, "Why haven't we found oil like Alberta?" He omits, of course, to say that oil exploration started in Alberta in 1921. They were fortunate in not having a Liberal Government there that was sound asleep. He forgets to say that the Leduc field which came into production in 1947 had the exploratory work started in 1937; ten years of exploratory work was done before those wells were brought in. In 1937 here in Saskatchewan there wasn't any exploratory work. We had a Liberal Government that was noteworthy for nothing but its capacity for inaction. There was no attempt at extensive exploration and development until a C.C.F. Government came into office. My friend yesterday said he hoped that we would find oil. Well, he doesn't need to hope that we find oil. Why doesn't he tell the people of Saskatchewan that we have found oil and that out of the two hundred and fifty-five oil wells now producing in the Lloydminster field one hundred and forty-three of them are in Saskatchewan? Why doesn't he tell the people of Saskatchewan that the Lloydminster field has now been extended east to Maidstone and south to Lone Rock, where six new wells were brought into production last year? Why doesn't he tell the people of Saskatchewan that, outside of the Lloydminster field, sixty-eight wells were drilled last year in this province; that \$8,000,000—the highest in our history—was spent in oil exploration and development and that last year we passed the one million barrel mark for the production of heavy oil? No, my honourable friend wants to give the impression that if only a Liberal government had been elected in 1944 we would have got oil. I only point out to you the fact that from 1921 to 1944, with the exception of a small period when the Conservatives were in, the Liberals were in office, and during that time they did nothing! They did it magnificently and they did it with dignity, but they did nothing!

Crown Corporations Profit

The next thing my honourable friend found fault with in the administration of the Government was the management of the crown corporations. He took some time and went to some pains to explain away the profits and the surpluses which they have made. He began

by subtracting from these profits the Telephone Company and the Power Corporation. Why? Well, he said he was subtracting the Telephone Company because when they ran it, it had never been run with the idea of making a profit. Well, it is making a profit now. The rates are the same as they were then and they have not been increased despite the fact that rates have been increased by every private telephone company in Canada.

Why does he subtract Power? He subtracts the Power Corporation for the same reason, I suppose, that the Winnipeg Free Press in an editorial said, "Well, you have to subtract the Power Corporation profits because, of course, it was making money before the C.C.F. came in." They were not making profits before the C.C.F. came in. In 1945 the accumulated deficit of the Power Corporation was \$470,000. There was no integrated power system, there were no high-voltage lines and there was very little in the way of generating facilities. My honourable friend also wants to compare what we are doing in rural electrification in Saskatchewan with Manitoba. Of course, he starts to compare Manitoba back in 1934 when they were doing something in that province. Nothing was being done in Saskatchewan.

Mr. Tucker: Mr. Speaker, I compared what Manitoba did after 1944. If the honourable member will look my speech up he will see that. I started in both cases with 1944.

Mr. Douglas: I understood my friend to say he was starting in 1934 with five hundred farmers in Manitoba. I will accept his word on that.

Mr. Danielson: (interruption)

Mr. Douglas: I'll deal with my friend afterwards.
(Interruptions)

Mr. Speaker: Order.

Mr. Douglas: Mr. Speaker, let's take it at 1944. My friend forgets that I was raised in Manitoba. For twenty-five years before 1944 Manitoba was building high-voltage lines. In 1944 Manitoba had a high-voltage grid. This province had nothing. This province hadn't any integrated power system when this Government came in. All it had was an accumulated deficit and one hundred and thirty-seven farmers on power. And my friend says, "Why isn't there rural electrification?" What has been done since then? We have built an integrated power system. We have stepped up the generating facilities. We are building a high-voltage grid, one line of which alone in the northeastern part of Saskatchewan costs in the neighbourhood of \$4,000,000. We have increased the number of customers for the Power Corporation from 13,000 to 63,000; the number of farm customers from 137 to 4,600 with 2,000 added this last year. That number or more will be added in the present year.

When my honourable friend wants to make comparisons of oil, he goes to Alberta. When he wants to make comparisons of rural

electrification he goes to Manitoba. It might have been well to have stayed over in Alberta when he was talking about rural electrification. In the Province of Alberta, where the private power companies have control of electrification, the farmers pay all the cost of putting in electric power whereas in Saskatchewan farmers pay only half the cost of putting in their power.

Government Spends \$34,000,000 for Power and Telephones

The second complaint my friend had about the crown corporations was, "They made \$11,000,000 profit. Where has it gone?" He knows that in two crown corporations alone—Power and Telephones—the Government has invested in the last five years \$34,000,000 of new capital, with the result that we have increased our telephone facilities by fifty per cent in five years and increased our power facilities on the basis I mentioned just a few moments ago. Why, in 1944 the total investment in power in this province was \$9,000,000; today it is \$32,000,000. In 1944 the total investment in telephones was \$19,000,000; today it is \$30,000,000. The profits from the crown corporations have been ploughed back into power expansion and into telephone expansion, to say nothing of putting up the plant at Chaplin for sodium sulphate and other facilities to develop the resources of this province. My friend knows that. He is a member of the crown corporations committee and he ought to know.

Mr. Tucker: Mr. Speaker, I wish to state that I don't know anything of the sort, and I want to tell the honourable Premier that what he says is incorrect and the Provincial Treasurer knows it is incorrect.

Mr. Douglas: The statement is not incorrect. The statement is true, Mr. Speaker, and I want to point out that I listened to my honourable friend yesterday for two and one half hours and never got off my chair. I think that he might extend the same courtesy that he received.

Mr. Tucker: Well, then don't say that I know a thing when I don't know it and nobody else knows it.

Mr. Speaker: The honourable member has the right to say that he doesn't know it.

Mr. Douglas: Mr. Speaker, I would be the last person in this House to overestimate how much the honourable member knows.

Crown Corporations Return 8%

The next criticism which the honourable member levelled was that the crown corporations didn't charge interest. "Why," he says, "if any other company declared dividends without charging interest they would put them in jail."

Mr. Tucker: Mr. Speaker, on a question of privilege, I said nothing of the sort. I said that if they claimed a net profit and didn't allow

for what they had to pay in interest, then they would be in trouble. Let the Premier stick to the facts.

Mr. Douglas: It's the same thing, Mr. Speaker. I'll give my honourable friend the material I have in my hand—the financial statements of the Consolidated Mining and Smelting Company, the Canada Steamship Company, Canada Packers, the Profit and Loss Statement of the Toronto General Trusts, the British American Oil Company, Brazilian Traction, the C.B.C. Take any one of them. My honourable friend will find that in every case there is no interest charged on their capital. My honourable friend ought to know that.

Mr. Tucker: What about the C.N.R.?

Mr. Douglas: If it is a bonded debt, yes. This is not bonded debt. This is capital investment. The people of Saskatchewan have invested their capital in certain public enterprises. The proper depreciation reserves are set up; other contingent reserves are set up; and the surplus that is left is dividends, with the dividends amounting to over eight per cent on the capital investment.

Report on Crown Corporations

Mr. Speaker, let me say just a word about the crown corporations to which my honourable friend has referred. I have always been quite frank with this House in discussing these crown corporations. I told the House quite frankly last year that we had five problem children and that we would do our best to make them succeed, and if we couldn't make them succeed we would close them up. I am quite frankly saying today that we still have a couple of problem children. Three of the crown corporations that were giving us difficulty last year are now over in the profit column. There are still two—the Brick and Clay Plant at Estevan and the Woollen Mill—that are giving us some concern and will show a loss for 1950. That is understandable. Despite the fact that we are able to sell our products, that we have orders far in advance, our equipment is obsolete and our "per unit" costs are too high. In the case of the Woollen Mill, new equipment is being installed. In the case of the Clay Plant at Estevan, a tunnel kiln is being installed that will increase the output by fifty per cent and will mechanize the whole process. We believe that as a result of these installations these two projects can be made financially successful. But I am glad to be able to tell the House that the other crown corporations have done quite well. I don't want to quote from the figures that I have in my hand because some of them are only estimates. Since their financial year didn't end until December 31, and until the auditors bring down their final reports, these cannot be any better than estimates. However, I am glad to be able to say that with the exception of Clay and Wool (and I still have a very great deal of confidence that they can be made to operate successfully on a financial basis as they are now operating successfully on a production basis), the crown corporations this year will do even better than they did last year.

I would like to say to my honourable friend across the way that instead of criticising these public enterprises which belong to the people of Saskatchewan, instead of trying to undermine public confidence in them, they ought to take pride in the demonstration of the fact that people can own public utilities which can be operated in the interests of all the people. I am saying that a group of crown corporations, many of them quite new, some of them tackling production problems completely foreign to this province and producing things we never tried to produce before, are now operating successfully. This group of crown corporations is now giving employment to some three thousand one hundred of our people. Last year they did a volume of business of over \$27,000,000 and they will show an estimated profit (this may not be exact to the dollar until all the audited statements are in) of \$3,859,000, or more than eight per cent of the capital invested. I am saying that these public enterprises are something about which the people of this province have good reason to be proud.

Provincial-Municipal Relations

The next criticism which was levelled by my honourable friend was the failure of the Government to remove the public revenue tax of two mills, which was placed on land in Saskatchewan by provincial statute. My friend even went so far as to move a motion of non-confidence in the Government because we hadn't foreshadowed in the Speech from the Throne the removal of this tax and the payment of grants to municipalities in lieu of taxes on crown corporations. Well, Mr. Speaker, I think it would be interesting to just take a moment to look at this public revenue tax and to remember, first of all, that it was put on, I think, in 1917 by a Liberal administration. In 1937, twenty years later, it was still there. A commission set up by the Liberal government of that day called the Jacoby Commission recommended that the public revenue tax be taken off and a two per cent education tax put on. Well, they put on the two per cent education tax but when they left office in 1944 the public revenue tax was still there. It was put on by a Liberal government and for more than a quarter of a century it was kept on by a Liberal government in spite of the fact that the Commission which they had set up to look into provincial-municipal relations had recommended its removal seven years before the Liberals left office.

Now my honourable friend whose party kept it in all these years says, "Let's get it off." Why? "Because," he says, "Under the new Federal-Provincial tax agreement you are going to get \$4,000,000 more from Ottawa." We are not going to get \$4,000,000 more from Ottawa. My honourable friend, if he took the trouble to check, would find that we will get in terms of actual money received about \$600,000 more from Ottawa but not \$4,000,000.

There are two things that I should like the Leader of the Opposition to explain. I should like him to explain first of all why it was when he was speaking in the Legislature yesterday about the recommendations of the Britnell-Cronkite-Jacobs Report that he didn't

tell the House all of the things that the Committee recommended. Why didn't he tell them that they not only recommended that the public revenue tax be taken off but that as compensation the Provincial Government should raise the gasoline tax two cents a gallon. Why didn't my friend tell that? Who does my honourable friend think he is kidding? He is not kidding the members of the House; they will read the report. He is not kidding the municipal officials; they are familiar with this report. Does this mean that my honourable friend in moving this amendment asking the Government to remove the two mills public revenue tax is also asking us to put on another two cents per gallon on the gasoline tax?

Mr. Tucker: If the honourable member wants an answer, I will say no. And while I am on my feet . . .

Mr. Douglas: You made a two and one half hour speech yesterday. Now just keep quiet.

My honourable friend wants to pick the icing off the cake and leave somebody else to chew the raisins. He wants to take the parts of the report that he likes, the parts of the report by which the Government will spend money, by which the Government will give up its revenue, but he doesn't want to implement the parts by which we will get other things in compensation. Well, Mr. Speaker, what sort of an endorsation of a report is it, in which you pick out the parts you want and leave the parts you don't want.

The second thing I would like my honourable friend some time to explain is why, when he was going on about these recommendations from this Committee on provincial-municipal relations, he didn't tell this Legislature and the people of Saskatchewan that the Britnell-Cronkite-Jacobs Committee recommended that these recommendations should be implemented over a period of three years. He didn't say that. He gave the impression that the whole thing had to be done now or never. I think he knew it; I think he must have read the Report; I think he must have known that the recommendation was that this should be implemented over a three year period. The Speech from the Throne makes it abundantly clear that as the first steps in the implementation of these recommendations the Government proposes this year to do two things, firstly to accept the recommendation with reference to a comprehensive bridge-building program in the rural municipalities, and secondly to increase the per capita grant to the Anti-Tuberculosis League to \$2 per patient day which will mean a total cost of that grant of some \$600,000 as compared with the \$300,000 it was at the time this Report was being prepared.

Liberal Press Advocates Less Roads, Less Services

It is rather interesting that the Leader of the Opposition should spend a good deal of time criticising the Government because we are not going to remove the two mill public revenue tax; because we are not spending more money on rural electrification, more money for old age pensions and more money for a variety of things. Yet at the same

time I pick up the Saskatoon Star-Phoenix dated February 2 and I find that the editor of that well known Liberal journal, in commenting on the Speech from the Throne, finds fault with the fact that we are going to spend so much. He winds up by saying this:

"Surely now is the time to tell us that we can have no more roads, no more services, no more government luxuries, until we have shored up the foundations of freedom upon which Saskatchewan and Mr. Douglas himself rely for what help we have."

Here is the Liberal press criticising us because we are going to spend so much on roads and so much on rural electrification. Here is the Leader of the Opposition saying we ought to be spending more; we ought to be giving up sources of revenue. Now of course this is a lovely dichotomy. It means that the Leader of the Opposition can go up and down the length and breadth of the country and say, "I said the Government should spend more money on this road. The Government should build more highways. You people should all have electric lights." The Liberal press at the same time could go out and say, "Look at this C.C.F. Government spending money." As the editor of the Saskatoon Star-Phoenix says: "... spending money as though we were as divorced from the world as the planet Pluto." Well, Mr. Speaker, I would like to say in answer to the editor of the Saskatoon Star-Phoenix that we in the C.C.F. are just as conscious as he is of the need for shoring up the foundations of democracy, but we do not think we can defend democracy by curtailing social services and removing social security. We believe that if people are going to be called upon in this country to fight for democracy, democracy will have to be worth fighting for.

Mr. Tucker: It is worth fighting for right now.

Premier Douglas: It is for the kind of democracy my friend enjoys, that's true.

Mr. Tucker: For what we enjoy in Canada.

Mr. Douglas: That's right.

Mr. Tucker: It certainly is.

Mr. Douglas: But for hundreds of people who live in a state of economic uncertainty and insecurity, who are not as privileged as my honourable friend is, there must be something more than merely the right to have the freedom to vote. They also want freedom from want and freedom from fear. We are not prepared in this province to accept the theory that the danger of war and the need to prepare and resist possible aggression shall be made an excuse and a cloak for postponing the social security to which the Canadian people have been entitled for over a quarter of a century and which they have been too long denied. The Federal Government and my honourable friends may try to use the international situation as an excuse for wiggling out of establishing health insurance, establishing pensions for the physically handicapped and establishing an adequate housing program. I don't think the people of Canada are going to be fooled by that sort of thing because they know that despite the fact that all through the thirties

we could not get houses; we could not build roads; we could not build schools; we could not build hospitals; we could not find jobs; that under the strain of war we found the money to do all those things and many more. They know that if the people of this country set their will to it they can produce enough of the necessities of life and the amenities of life to give all the people of this country a high standard of living.

Social Security Strengthens Foundations of Democracy

I want to say as far as this Government is concerned that we think we will buttress and strengthen the foundations of democracy by pushing forward to establish social security as quickly as we possibly can. This year the highway program, the expansion of power and telephones, the expenditure on irrigation and land conservation and on industrial development will be the highest in the history of Saskatchewan. We think that instead of hurting the cause of democracy this will strengthen it because it will give the people of this province the right to feel that they have a stake in our country. Democracy is worth something because it has given them not only the right to vote, not only the right to speak and the right to worship, but also the right to a decent standard of living and the right to security for themselves and their families.

TUCKER CRITICISES C.C.F. FOR INTERNATIONAL AFFAIRS STAND

Mr. Speaker, I come now to the third general heading of what my honourable friend talked about yesterday. That was his criticism of the C.C.F. for its stand on international affairs. He criticised us for three things. Firstly, he criticised us for advocating a third force in international affairs as compared with slavishly following either the Soviet Union on the one hand or the United States on the other. My honourable friend said yesterday, "Who is in this third force? India and Burma." If my honourable friend will take the trouble to examine what has been going on at the United Nations for the past six months he will see that increasingly this third force is coming to constitute more than India and Burma. It is coming to represent also Great Britain, France and the Scandinavian countries. He will find that in the last few months Mr. Pearson, the Secretary of State for External Affairs, has more and more been with that third force. This is so apparent that recently American newspapers have been attacking him, calling him an appeaser and, as one American newspaper said, "He indulged in hectoring and bullying the political committee."

The second criticism of my honourable friend was that we had as a party advocated the recognition of the Chinese Government.

Mr. Tucker: Mr. Speaker, on a question of privilege, I never mentioned that at all, and why the honourable member should deliberately make a misstatement in this House as to what I had mentioned I don't understand. I never mentioned the question of the recognition of the Chinese Government yesterday, and the members know that.

Mr. Douglas: Mr. Speaker, I did not say my honourable friend . . .

Mr. Tucker: Yes you did.

Mr. Douglas: If I did, I am certainly sorry. I must insist that my friend contain himself for a moment. If my honourable friend wants to repudiate the President of the Liberal Association in this province it is fine with me. However, when the Liberal Party held its annual convention last November, as reported both in the *Saskatoon Star-Phoenix* and the *Regina Leader-Post*, Mr. Monteith criticised and said it was unbelievable that the C.C.F. should have advocated the recognition of Communist China. He said, "Surely after such a display the C.C.F. cannot blame people for doubting their professed hatred for Communism." How many of the men opposite stood up and repudiated the statement by Mr. Monteith? How many of the gentlemen opposite have ever said they did not agree with Mr. Monteith?

Mr. Tucker: On a question of privilege, Mr. Speaker, all that I said was that the honourable member said that I had said this yesterday and I just said that I didn't, that's all.

Mr. Douglas: I was ascribing it to the Liberal party and if my honourable friend wants to repudiate the Liberal party, it is alright with me. I am simply saying that the Liberal party, through its president, condemned the C.C.F. because we had advocated the recognition of the Chinese Government. I want to point out, Mr. Speaker, that Mr. T. C. Davis, a former member of this Legislature, a former Attorney General of this province, a former Justice of the Appeal Court of Saskatchewan, a former Canadian Ambassador to China, spoke very openly, when he came back, of the necessity for recognizing the Chinese Government. I notice that just a few days ago David Croll, Liberal M.P. for one of the Toronto ridings, made a speech and said that we ought to have recognized the Chinese Government.

The next criticism of the C.C.F. by the Liberal party is the criticism my honourable friend made yesterday. We were criticised because we had censured, in the recent debates in Ottawa, the Canadian Government for supporting the resolution branding China as an aggressor nation. Mr. Speaker, I would like to point out that Mr. Pearson, Canadian Secretary of State for External Affairs, speaking at the United Nations on Friday, January 26th, said this:

"We think (speaking for Canada) the putting of such a resolution at this stage and in this form, when the possibilities of negotiation with the People's Government of China are not, in our opinion, completely exhausted, to be premature and unwise."

That is not my statement. That is the statement of the Secretary of State for External Affairs. He was called back to Ottawa for a conference with the Cabinet, and then returned to the United Nations and voted for the resolution to condemn China as an aggressor.

Mr. Speaker, this is not a subject on which one wants to be categorical. The whole question of international affairs touches the life of our people so closely that none of us can afford to be dogmatic.

But I take exception to my honourable friend yesterday getting up in this House and suggesting that anybody who criticises the United States foreign policy, anybody who does not say, "Ready, Aye Ready!" the moment Washington calls is causing disunity and is not lining up with the free nations of the world.

Mr. Tucker: I said no such thing.

Hon. Mr. Nollet: You sure did.

Mr. Tucker: I certainly did not. Misrepresenting it again.

Mr. Douglas: I notice in this morning's paper that Mr. Power, Mr. Chubby Power, the former Minister of Defence for Air, who rendered such valuable service during the war, when speaking in the House of Commons yesterday said the North Atlantic countries had returned to power politics in an effort to preserve an uneasy peace. I am not saying I agree with Mr. Power. I am simply pointing out that my friend opposite has moved a long way from the great Liberal tradition that there is value in criticism, that we ought to have criticism. It used to be the Tories who were accused of always saying that whatever imperialist Britain wanted they must accept. Now my honourable friend wants us to take the position that whatever the United States says or believes we must blindly follow. I am not prepared to do that, Mr. Speaker. I have great admiration for the people of the United States. I went to university in the United States and I know of no friendlier or kindlier people. But we have a right to our views and we have a right to express them.

I believe that the people of Canada don't want war with the people of China. I believe that before embarking on any course that might lead to war we ought to be prepared to stop and examine our own hearts and our own conscience. We ought to ask ourselves whether or not we in the western democracies have contributed in any way to the present acts of aggression that are taking place on the Manchurian border. We have to stop and ask ourselves, "What is it that makes a country like China do some of the things which it has done?" If we ask ourselves those questions, we will go back and think for a few moments. We will think, first of all, about the fact that for years the Government of the United States poured munitions and war material and even army personnel into China in a vain attempt to bolster the corrupt and discredited government of Chiang-Kai-Shek. It is not easy for the Chinese people to forget that. We will also remember that even after the Chiang-Kai-Shek regime had been driven out of China it took refuge in Formosa, and that it sits there today guarded by an American fleet. We will also remember that the United Nations refused to seat the new government of China. Great Britain recognized China; India recognized China; but Canada refused and the United States refused. Mr. Speaker, it is difficult to see how we can condemn a nation for not obeying the laws of the world community when we refuse to give them membership in the world community. It is difficult for me to see how we can condemn a man for not accepting his responsibilities as a citizen when we refuse to allow him to become a citizen. What was the reason

given for refusing to seat China in the United Nations? Well, some countries didn't like their ideology. I don't like their ideology. Nor do I like the ideology of a lot of other countries seated in the United Nations. I don't like the ideology of Franco of Spain, Peron of Argentina, Salvador of Portugal, Tito of Yugoslavia, or Stalin of the Soviet Union; but we seat them there.

When the Leader of the Opposition calls, as he did yesterday, for the unity of the western democracies, I want to say that there must also be unity of objectives and unity of purpose. There hasn't been. Consider what happened last summer. An act of aggression was committed by northern Korea. The C.C.F. supported Canada in taking the stand at the United Nations that that aggression should be resisted. General MacArthur was made the supreme commander of the United Nations and troops were sent to drive back the forces of northern Korea. Did the United Nations also authorize General MacArthur to cross the 38th parallel? Were the nations consulted? You will notice that no responsible Minister of the Canadian Government or any other Government has said that other nations were consulted.

Mr. Danielson: The British Government said so.

Mr. Douglas: Was General MacArthur authorized to go up to the Manchurian border and to seize the hydro-electric installations on the Yalu River that controlled the entire industrial life of Manchuria? No responsible statesman has said that they were consulted. Was General MacArthur authorized to turn the government of not only South Korea but also of North Korea over to Syngman Rhee, with the result that even the American missionaries had to protest to the American Government about the wholesale slaughter that was carried on by Syngman Rhee's police? Even the reporter for Time Magazine, which is far from being a progressive periodical, wrote and said that he was ashamed of what was going on under the name of the United Nations.

I am not saying this to condemn the United Nations. I am saying this because there are two points that stand out. If the commander of the United Nations is to act with the moral authority of the United Nations, then he must be under the control of the United Nations . . .

Mr. Tucker: He is.

Mr. Douglas: . . . and should act only with its authority and its consent. If my friend opposite says, "He is," then I ask does the Canadian Government accept responsibility for the slaughter that took place in southern Korea and for the march up to the Yalu River at the very moment that the Chinese delegates were on their way to the United Nations conference?

Mr. Tucker: The Canadian Government doesn't control the United Nations.

Mr. Douglas: No, but it should be consulted.

Mr. Tucker: It was consulted.

Mr. Douglas: If it was consulted, it must have agreed. I don't think that it was ever consulted and the Prime Minister has never said that it was.

The second thing that stands out, Mr. Speaker, is that we must see to it that in our desire to stop aggression in any part of the world we do not allow that desire to be used as a cloak for forcing the Chiang-Kai-Sheks and the Syngman Rhee and the other kinds of sawdust Caesars upon people who do not want to have them.

Collective Security Based on Collective Action

We in the C.C.F. believe in collective security based on collective action. We believe that ultimately there must be a world organization with authority to maintain peace but we believe that it must be peace with justice. If the United Nations becomes merely an instrument for bolstering up corrupt and discredited dictators, it will lose its moral authority and it will lose the support of millions of well-meaning people. It is true that China has committed an act of aggression by moving into North Korea. We, on the other hand, must ask ourselves whether or not she has had some justification for feeling that under the guise of resisting aggression MacArthur and certain other elements, particularly in the United States, are not seeking to re-impose Chiang-Kai-Shek and his discredited regime upon the people of China.

Weapons of Democracy

Mr. Speaker, we believe that the democratic nations of the world should band together to resist aggression. At the same time we believe that guns and bombs are not the only weapons in the arsenal of democracy. After all, it is of very little use to speak of political democracy to the millions of people of Asia who have never known anything about political democracy. What they can understand is food, clothing, medical supplies and technological equipment that will enable them to raise their standard of living. We speak of political democracy as though it is something they once enjoyed or that they even understood. Lord Boyd-Orr, the British nutritionist, said, as a result of his survey, that two-thirds of the people of Asia have never in their lives known what it is to go to bed on a full stomach. Mr. Speaker, when we are talking about resisting aggression must we not also try to find out what causes that aggression and to see if something cannot be done about removing those causes? What is happening in Asia today is that a great revolution is taking place. Hundreds of millions of people who have been subjugated and exploited by the white man for centuries are now throwing off the yoke. We can do one of two things. We can try to understand their problems; we can try to help them out of their economic and social difficulties; or we can blunder into a war with them that will devastate the whole world. A prophet said many, many centuries ago. "Not by might, not by power, but by my Spirit, saith the Lord." There is still a great truth in that. The positive things

like love and brotherhood and neighbourliness are still the greatest forces in the world. This year we, the Canadian people, will be asked to spend \$1,500,000,000 for defence preparations. In the kind of world in which we live we can't afford to be without defence preparations. But, Mr. Speaker, do we dare to take one-tenth of that—\$150,000,000—and use it to send Canadian wheat and Canadian food and Canadian clothing and Canadian shoes and Canadian tractors to the people of India, who are now facing a famine, to the people of southeast Asia—yes, and to the people of China and to the people of Korea. Maybe it won't work. Maybe it will be of no avail. But I think, Mr. Speaker, that it is worth a try. It won't cost any more than a war and it might produce permanent peace—something war has never yet done.

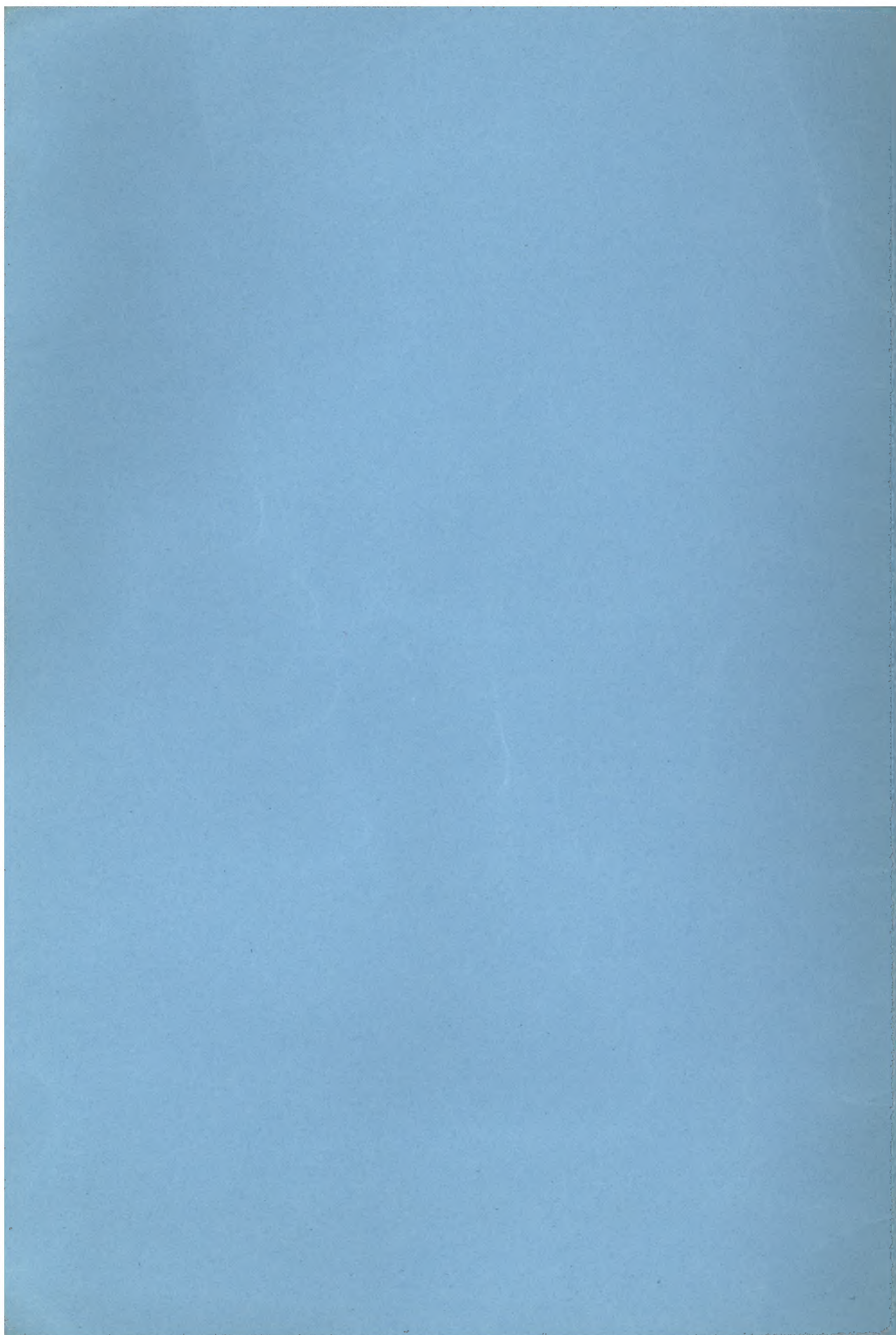
Peace with Justice

Mr. Speaker, I believe that the people of Canada and the people of Saskatchewan want peace. They also want freedom. I don't believe in peace at any price but I do believe in justice at any cost. If we must fight a war, then we want to fight a war for things that are worthwhile. I don't want to see the young men of this country fight a war merely to re-impose Chiang-Kai-Shek on the Chinese people or to protect the holdings of the Standard Oil Company. I am saying, therefore, that this is not the time to label as communist or subversive everyone who doesn't stand up and yell "Hip-hip-hurray" every time MacArthur, who seems to suffer from delusions of grandeur, or some other firebrand calls for military action. I think this is the time to recognize that we are in the process of building a world community; that we are in the process of trying to establish world justice, a world court and a world police force. In the process of establishing this we must not allow any nation or any small group of nations to use the international police force to try to fasten discredited dictators upon the people of the world.

I know that there are quarters in which to say the things I have said is not popular. Mr. Speaker, I don't have to be the Premier of Saskatchewan. I don't even have to be a member of this Legislature. But I do have to live with my own conscience. Some day I do have to give an account to a generation of young people who will pay the price if we are precipitated into another war. I say that no stone should be left unturned to maintain peace if that is at all possible. We should be prepared to do everything we can by economic assistance, by looking at the underlying causes, by recognizing some of our own mistakes, before we rush to draw the sword. Before we condemn China we ought to sit down with China and give her a place among the nations of the world. We ought to first make China a member of the world community and give her a chance to plead her case before we condemn her for breaking the rules of the community. That is the sort of thing, Mr. Speaker, that I believe must be done.

Five or six years ago it was my privilege, on behalf of the people of this province, to visit dozens of hospitals overseas and visit Saskatchewan boys who had been wounded in action. As I went from ward to ward seeing boys who had lost their arms and their legs—some of

them had lost their sight—it was borne in upon me that I had one responsibility if no other. It was to strain every nerve and muscle and every bit of energy I possess to prevent, if possible, another holocaust of blood and tears like that through which we passed. Mr. Speaker, I believe that the people of Saskatchewan want peace if it is possible; that the people of Saskatchewan do not want to send men out to die on foreign fields in order to bolster up discredited regimes. They are prepared to defend this country and to defend freedom. They are not prepared to see other things done in the name of peace. I believe that so strongly, Mr. Speaker, that I, for one, am prepared if necessary to test the opinion of the people of this province on that very important question.



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